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HUNGARY CONVERTS TO MONTHLY WAGE PAYMENTS

In accordance with a decree of the Hungarian National Wage Adjusting Commission every plant and enterprise will convert, between 1 November and 31 December 1950, to the payment of wages on a monthly basis.

This means workers will be paid monthly in two installments instead of every week. On the 25th of each month a worker will receive an advance payment for the time worked equal to 150 /which is approximately 70 percent of the hours worked per month/ times his official wage rate. For example, in the case of a worker in the metallurgy industry whose hourly rate is 2.97 forints, his advance payment would be 2.97 x 150, or 445.50 forints. All deductions come out of this payment (fuel payments to Toker, commodities, etc.). On the 10th day of the month following, he receives the balance of his pay. No deduction can be made from this payment.

Where conversion to a monthly scale will begin on 6 November, workers will receive a transitional payment approximately equal to 48 hours at their wage rate on 10 November.

Regular monthly reimbursement and deductions begin on 25 November. Since the monthly system of accounting begins on 6 November, 180 hours will be worked in November instead of 210. Therefore, the advance payment will amount to 180 times 70 percent times the wage rate. Payment of wages for November will be completed on 9 December, from which sum no deductions can be made.

It is the task of the stewards to acquaint the workers with the technical and political aspects of the monthly pay system. This will require a good deal of educational work since the workers are reluctant to accept new things. The following points may be argued on behalf of the monthly pay plan:

1. The weekly pay plan prevented the worker from having large sums of money, and forced him to live from week to week. The monthly pay system will enable even physical laborers to plan their budgets better by dealing with larger sums, make purchases in advance, etc.

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2. Introduction of the monthly pay plan will do away with inconveniences caused by the errors of overworked wage clerks and the consequent hours of waiting while reimbursement is made.

3. The monthly pay plan reduces accounting costs and increases accounting efficiency. Overtime in payroll accounting will be greatly reduced and with proper organization, may be eliminated entirely. Also, more time will be available for proper supervision of pay accounts, including, chiefly, falsified or inadvertently miscalculated wages.

Actually, the introduction of the monthly pay plan is in the public interest and also in the interest of the individual. Nevertheless, there is still a great necessity to thoroughly explain the new pay plan to the worker, especially in view of the fact that the plan is unfamiliar and that it departs from the accustomed budget habits of the individual. These facts should not be underestimated.

To ease the transition to the new schedule, workers in plants which have not yet changed to the monthly pay plan will be advanced one week's wages by the state. This sum will be deducted at a more convenient later date.

[The article says nothing about the system of payment for piece work.]

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